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SENT DEPARTMENT 296; REPEATED INFORMATION SAN SALVADOR 12.

President Castillo Armas told me today his talk at frontier yesterday with President Osorio of El Salvador (Embassy telegram 291) had been generally successful but that he personally suspected that Osorio still had certain sympathy with Arbenz regime.

Castillo said he had made few suggestions and had mostly listened to Osorio. Latter had suggested that Odeca meeting scheduled for December be held in Guatemala instead of Managua since Costa Ricans would probably feel ill at ease in Nicaragua. Castillo had agreed to approach Somoza on subject, alleging desire enhance prestige his government as reason for change of site; he hoped Somoza would agree. As he estimated cost of holding meeting here at $100,000, Osorio had agreed to defray half of expense.

It was on question of Guatemala exiles in Salvador that Castillo most sensed what he interpreted as residual sympathy with deposed government. Castillo had said he felt presence in Salvador of certain military exiles, such as Colonel Carlos Paz Tejada (ex-Minister of Communications and Chief of Armed Forces) was dangerous because Paz was "indoctrinated" and had visited behind Iron Curtain. Osorio had replied Paz was personal friend of one of his Ministers; Castillo learned later Paz had been given employment by Salvadoran Government. Castillo also said he had noted Osorio's reluctance to mention joint efforts combat issued after meeting; to Salvadoran draft referring to establishment of "social justice", he had added references to use of democratic procedures and adherence to inter-American commitments.

Castillo's estimate was that Osorio would collaborate with him because it was advantageous despite personal sympathy for certain Arbencistas.

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